

## AMS CHANGE REQUEST (CR) COVERSHEET

**Change Request Number:** 16-13

**Date Received:** Jan 5, 2016

**Title:** Single Source - AMS 2016

---

**Initiator Name:** Joshua Fletcher

**Initiator Organization Name / Routing Code:** Policy Procurement Branch/AAP-110

**Initiator Phone:** 202-267-4267

**ASAG Member Name:** Eugene Scott

**ASAG Member Phone:** 202-267-3207

**Guidance and Policy must be submitted with separate CR coversheets.**

Policy

**Or**

Procurement Guidance

Real Estate Guidance

Other Guidance

**Summary of Change:**

Increase of threshold from \$100K to \$150K for pre-award synopsis of sole-source

**Reason for Change:**

To update AMS with government wide threshold practices at \$150K.

**Development, Review, and Concurrence:**

AAP-100, AAP-110, ACQ-1, ACQ-2

**Target Audience:**

Acquisition workforce

**Briefing Planned:** No.

**ASAG Responsibilities:** None.

**Section / Text Location:**

T3.2.2.4

**The redline version must be a comparison with the current published FAST version.**

I confirm I used the latest published version to create this change / redline

**or**

This is new content

**Links:**

FAST Version 01/2016

CR 16-13

p. 1

<http://fast.faa.gov/docs/procurementGuidance/guidanceT3.2.2.4.pdf>

**Attachments:**

Redline and final.

**Other Files:**

None.

**Redline(s):**

**Sections Revised:**

**3.2.2.4.A.2 – Market Analysis Supporting Single Source**

**3.2.2.4.A.3 – Award of Single Source**

**3.2.2.4.D - Appendix**

**Procurement Guidance (~~10/2015~~) 1/2016**

---

T3.2.2.4 - Single Source Added 10/2006

A Single Source Contracting Added 10/2006

1 Basis for Single Source Revised 7/2011

2 Market Analysis Supporting Single Source Revised ~~1/2010~~ 1/2016

3 Award of Single Source Revised ~~4/2009~~ 1/2016

B Clauses Added 10/2006

C Forms Added 10/2006

D Appendix ~~Added 10/2006~~ Revised 1/2016

---

### **T3.2.2.4 - Single Source Added 10/2006**

#### **A Single Source Contracting Added 10/2006**

##### **1 Basis for Single Source Revised 7/2011**

(a) Single source procurement may be used when in the FAA's best interest. A factual, reasoned, and well-documented rationale must support the decision to use a single source. Excluding emergencies, there are no predetermined or prescribed conditions for using a single source. Each single source decision stands alone and is based on the circumstances.

(b) The rational basis for a single source decision must be documented by the program official, reviewed by legal counsel, and approved by the Contracting Officer (CO). This rationale is documented in a:

- (1) Stand-alone, single source justification using the template in Appendix 1;
- (2) Procurement Plan, if a formal plan is established; or
- (3) Implementation Strategy and Planning Document, if applicable.

(c) Approval of Implementation Strategy and Planning Document or approval of a Procurement Plan constitutes approval of a single-source procurement; no further approval or documentation is necessary.

(d) For single source procurements with a total value \$10,000 or less, a justification is not required.

(e) Single source justification is not required for noncompetitive set-asides to 8(a)-certified Socially and Economically Disadvantaged Business (SEDB) or Service Disabled Veteran Owned Small Business. (See AMS Procurement Guidance T3.6.1 "Small Business Development Program").

##### **2 Market Analysis Supporting Single Source Revised 1/2010 Revised 1/2016**

(a) Market analysis provides factual data to form conclusions and verify assumptions that FAA's technical and business interests are best served through a single source. For single source procurements (excluding emergencies or set-asides to 8(a) SEDB or SDV owned small businesses) over \$10,000, market analysis is required. The method and extent of the analysis depends on the requirement, complexity, and estimated dollar value. (See AMS Procurement Guidance T3.2.1.2 "Market Analysis" for further information.)

(b) A formal market survey is one method to gather current data to support a single source decision. When used, a formal market survey should include a sufficiently detailed description of key technical performance requirements or essential knowledge, expertise, or experience so that potential vendors can determine whether they have the capability to satisfy FAA's requirements. FAA also uses these key performance requirements to evaluate capabilities of any vendors responding to the market survey. The market survey ~~should~~may include explicit instructions to potential vendors about the

acceptable format, form, and level of detail for vendor capability statements or other vendor information that FAA will use to decide whether other capable vendors exist and whether a competitive procurement is appropriate.

### **3 Award of Single Source Revised 1/2016 ~~4/2009~~**

(a) After approval of the single source justification, the CO may negotiate final contract terms and price or cost with the single source vendor and award the procurement action.

(b) When the total estimated value is over \$~~100~~150,000, the CO must issue a preaward public announcement (excluding emergencies and other acquisitions that otherwise would not require announcement. e.g. Delivery Orders, Single Source SEDB, and SDVOSB awards) summarizing the basis for the single source decision. The CO may make a post award announcement to promote potential subcontracting opportunities. (Also see AMS Procurement Guidance T3.13.1 "Other Administrative Procedures" for information about notifications to FAA management and Congress).

### **B Clauses Added 10/2006**

[view contract clauses](#)

### **C Forms Added 10/2006**

[view procurement forms](#)

### **D Appendix Revised 1/2016~~Added 10/2006~~**

## **APPENDIX 1**

### **TEMPLATE FOR SINGLE SOURCE JUSTIFICATION**

#### **1. Title of Procurement**

Insert a brief title describing the requirement. Include the procurement request number, solicitation or contract number, if applicable.

#### **2. Program Office and Point of Contact**

State the title of the requiring organization, and name, email, and phone number of the responsible program official.

#### **3. Nature of Procurement Action**

State the nature of the procurement action, such as new contract award, follow-on contract to an existing contract, or modification expanding scope of an existing task order. Identify the proposed type(s) of contract. If an urgent requirement, state the date by which the procurement action must be awarded.

#### **4. Total Estimated Value**

State the total estimated value, including any options, ceiling amounts, and maximum order amounts. If optional quantities or performance periods are included, separately show the value of each (and include the amounts in the total estimated value).

#### **5. Description of Supplies/Services**

Describe the requirement for supplies or services to be acquired, deliverables and outcomes of the work, the intended use, and any unique requirements. Include total quantities and performance periods (the description of requirements may be broad enough to allow for quantity increases should the contract unit prices be lower than originally estimated or additional requirements become known). Detailed specifications or equipment lists should not be included. When possible, explain the requirement in non-technical terms.

If the requirement will result in a modification to an existing contract, distinguish clearly between work covered by the basic contract and the additional work to be obtained by the proposed modification.

Discuss any relevant background, history, events, or other special circumstances related to the requirement.

## **6. Authority**

Authority for single source procurement is provided by AMS policy section 3.2.2.4. Cite any other authority if applicable, such as an international agreement.

## **7. Rationale Supporting Use of a Single Source**

Discuss why it is in the FAA's best interest to use a single source. Provide a well-reasoned, detailed, and factual explanation. Conclusions about a single source, such as the vendor is the only known source, or no other vendor can satisfy the requirement within needed timeframe, or savings from competition will not recover sunk costs, must be supported by objective, factual information collected through market analysis or other means.

Identify the proposed single source contractor. Include a detailed discussion of the contractor's unique qualifications, experience, past performance, expertise, specialized products or services, proprietary data, or other capabilities. Link the contractor's capabilities to FAA's requirements.

Describe technical benefits and potential cost savings that would result from using a single source versus benefits of conducting a competitive procurement that might result in another vendor performing the work.

Address other factors as applicable, such as the following:

*Impact.* Fully describe any impact to the mission of the requiring organization if the single source product or service could not be provided. Explain why the impact cannot be tolerated. Give factual examples about the nature, likelihood, and severity of impact. Include cost estimates and other factual data about the impact, as appropriate.

*Specialized Expertise.* Explain why a particular expertise, experience, or skill is critical. Discuss why the single source vendor is the only source that has the specialized expertise. Explain why other FAA contractors providing or supporting NAS products and services do not have the required expertise. Describe the impact of not using the single source in terms of feasibility, time, and cost of another vendor obtaining sufficient expertise.

*Follow-on Contracts.* If a follow-on procurement for development, production, or sustainment, discuss any duplication of cost not expected to be recovered through competition or unacceptable delays in fulfilling requirements. Include data to support conclusions such as an estimates of costs that would be duplicated or length of delays for transition to another contractor, and basis for the estimates.

*Standardization.* If a follow-on contract is to standardize on one vendor's product or service, discuss duplication of costs not expected to be recovered through competition or unacceptable delays in terms of the overall lifecycle of a product or service. Discuss duplicated costs and learning curves in areas such as testing, familiarization, and certification; physical integration and interoperability; configuration management; security certifications; controller and other workforce training; integrated logistics support; maintenance, repair, and other depot or operational engineering support; maintenance infrastructure; airspace design and procedural changes; and *flight inspections*. Include factual examples and data to support conclusions.

*Interim Contracts.* If the requirement is for an interim contract or contract extension because of urgent or unusual circumstances, include a complete explanation for extended period of performance. Discuss why it would be neither cost effective nor realistic for another contractor to perform during the interim period. Explain issues such as transition plans, start up costs, staffing and recruitment, transfer of property and equipment, retooling, and learning curves for the complexity and variety of requirements. Provide factual examples of transition issues, estimated times, and estimated duplication of costs if a different vendor were awarded an interim contract.

*External Mandate.* If the requirement was mandated externally, discuss who imposed the requirement, how it was communicated, authority to direct the procurement action, and why single source is the best means of satisfying the mandated requirement. Attach a copy of any relevant documentation describing the external mandate.

*Time Constraints.* If time is a key factor, identify when the requirement first became known, explain the significance of meeting the time constraint, and criticality of time to the organization's mission. Define quantitatively the impact of not meeting the time constraint, and why there is insufficient time to conduct a competitive procurement. Discuss cost and time to conduct a competitive procurement, transition time from one contractor to another, and whether it could be done within the time limitations.

*Patents, Proprietary Data, and Unique Items.* Discuss any constraints such as patents, proprietary data, copyrights or other such limitations. Explain whether the vendor will provide any data, specifications, drawings, or source code to the FAA. Discuss whether individual components of a proprietary item can be competitively acquired from other vendors. Discuss whether the item could be reverse engineered. Describe estimated cost and time to obtain rights to data or for FAA to separately develop the proprietary item.

*Unsolicited Proposal.* If the single source is based on an unsolicited proposal, show that it meets the criteria for a legitimate unsolicited proposal (independently originated, innovative, and unique) and discuss benefits of adopting the proposal.

## **8. Market Analysis**

Describe in detail the market analysis conducted to identify other qualified sources. If market analysis was not conducted, explain the circumstances.

Discuss sources of market data, level of analysis, and conclusions drawn about any other vendor's capabilities, products or services.

State whether a formal market survey was issued, when, and for how long the announcement was open. Include a listing of vendors that expressed written interest in the public announcement. Describe criteria used to evaluate vendors responding to the market survey, reasons for rejecting each vendor, person evaluating the responses and when. If no vendors responded to the market survey, include a statement to that effect.

If a prior market survey is used, discuss when the prior survey was conducted, the results, and why the information is still current and relevant.

Discuss evaluation of data from any internal market survey conducted.

## **9. Other Facts Supporting Use of Single Source**

Discuss any other factors supporting use of a single source.

Include a statement about future actions to be taken, or not to be taken (e.g., no future similar requirements are anticipated), to identify alternate or additional vendors for the same or similar requirements. Discuss any actions to ensure that the prime contractor obtains competition in subcontracting.

## **10. Determination of Fair and Reasonable Price/Cost**

Describe the methods to be used to determine reasonableness of proposed price or cost, such as analysis of the contractor's detailed cost data, DCAA audits, and comparison to the independent Government cost estimate. If applicable, briefly describe any analyses of the vendor's proposed cost, and comparison to cost history for the same or similar requirements.

**ENDORSEMENT**

I certify that the supporting data under my cognizance that are included in this justification are accurate and complete to the best of my knowledge and belief.

Name:	_____
Signature:	_____
Organization:	_____
Date:	_____

**CONCURRENCE AND APPROVAL**

Legal Concurrence

Name:	_____
Signature:	_____
Organization:	_____
Date:	_____

Contracting Officer Approval

<u>Name:</u>	_____
<u>Signature:</u>	_____
<u>Organization:</u>	_____
<u>Date:</u>	_____

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Organization: \_\_\_\_\_

Date: \_\_\_\_\_